

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Energy Department – Bagasse Co-generation Projects - Necessary directions to the Bagasse Co-generation Developers using power under Section 11 of the Electricity Act, 2003 for generation of power using coal during the period from April to May 2011 – Orders – Issued.

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ENERGY (POWER.II) DEPARTMENT

G.O.Rt.No. 79

Dated 11th April, 2011

Read the following:-

- 1) G.O. Rt. No.54, Energy (Power - II) Dept., dt.22.04.2010
- 2) G.O. Rt. No.83, Energy (Power – II) Dept., dt.19.06.2010
- 3) G.O. Rt. No.87, Energy (Power – II) Dept., dt.21.06.2010
- 4) From Chairman, APPCC, Vidyut Soudha, Hyderabad, letter No.CE/IPC/F.Bagasee/D.No.33/11, dt.21.01.2011
- 5) From President, The South Indian Sugar Mills Association, AP, Lr.No.ECOGEN/345/2010-11, dt.17.02.2011

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ORDER:

In the G.O. first read above orders were issued, directing the Cogen Project Developers to operate, maintain and generate to full capacity of projects by using Coal initially for a period of three months and supply the same to the Power Distribution Companies (APDISCOMS) only.

2) In the G.O. second read above, it was agreed to extend the validity of orders till 15th November, 2010 or commencement of crushing, whichever is earlier.

3) In the G.O. third read above, orders were issued to constitute a High Level committee with the officers, to assess the quantum of power availability for fixation of interim price subject to issue of final orders by the APERC.

4) In their letter 5th read above Cogen developers through their association viz., SISMA represented to Government to consider their request and permit them to generate power using coal during off season and sell the same under interstate/intrastate open access or to the grid as per norms.

5) The Chairman, A.P. Power Coordination Committee has informed that in compliance of Government orders first read above, 5 Nos., Bagasse Co-generation projects have delivered around 90 MU of energy to APDISCOMS. As decided by the high level committee constituted by the Government of Andhra Pradesh, DISCOMS have paid an interim price of Rs.4.50 per unit subject to final orders to be passed by Andhra Pradesh Electricity Regulatory Commission under Section 11 (2) of the Electricity Act, 2003. The A.P. Electricity Regulatory Commission is yet to fix price payable to these projects for energy generated and delivered with coal.

6) The expected demand and energy availability in the State of Andhra Pradesh for the coming Rabi season and summer has been examined. There will be deficit during the months of April 2011 and May 2011. The APDISCOMS have taken necessary steps for procuring additional energy to bridge the gap between demand and supply. However, procurement of additional energy is subject to availability of transmission corridor. It was opined that utilization of available generation resources in the State would help DISCOMS to meet the deficit as the corridor problems can be alleviated to that extent.

7) In view of the facts stated above, it is considered that there exist extraordinary circumstances in public interest to permit generation of power by Bagasse Co-generation Projects by using coal, so that the DISCOMS shall access the said power during the ensuing summer.

8) Now, therefore in exercise of the powers under Section 11 (1) of the Electricity Act, 2003, the Government of Andhra Pradesh hereby direct the Bagasse Co-generation Developers as certified by the Cane Commissioner to generate the power by using coal during the period from the date of this order up to May, 2011

P.T.O

as the said period is critical being a combination of heavy agricultural demand arising out of Rabi Season and summer load increase in the domestic and other areas. However permission to generate power by using coal will be given only after a certificate is issued by the Cane Commissioner confirming completion of crushing operation as well as non availability of Bagasse with Sugar Plants.

9) The Secretary, A.P. Electricity Regulatory Commission is requested to intimate the compensation fixed up finally in respect of order issued in G.O 1st read above to Government for necessary action.

10) The Chairman, A.P. Power Coordination Committee and the Secretary, A.P. Electricity Regulatory Commission shall take further action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SUTIRTHA BHATTACHARYA,
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Chairman, APPCC &
Chairman & Managing Director, APTRANSCO,
Vidyut Soudha, Hyderabad with a request to take appropriate action in compliance of this Order.

The Secretary, A.P. Electricity Regulatory Commission,
5th floor, Singareni Bhavan, Red Hills, Hyderabad
with a request to pass appropriate orders under Section 11 (2) of Electricity Act, 2003 offsetting the adverse financial impact on Cogeneration projects, that would be resulted due to the directions at para (8) of this Order, as and when approached by the APDISCOMs / cogeneration project developers.

The South Indian Sugar Mills Association
5-9-22/69, Adarsh Nagar,
Hyderabad.

M/s Kakatiya Cement Sugar & Industries Ltd.,
1-10-140/1, Gurukrupa, Ashok Nagar, Hyderabad - 500 020.

M/s Nizam Deccan Sugars Limited, 6-3-570/1, 201, Diamond Block,
Rockdale Compound, Somajiguda, Hyderabad - 82.

M/s Sagar Sugars & Allied Products Ltd., Rayala Towers, I Floor, 158, Anna
Salai, Chennai 600 002.

M/s. GSR Sugars (P) Ltd.,
Maagi (V), Nizam Sagar (M), Nizamabad Dist.

M/s Empee Power Projects Company Ltd
Ayyapareddypalem, Naidupeta, Nellore District.

M/s Jeypore Sugar Company Limited,
Chagallu, West Godavari District

M/s. Parry Sugar Industries Ltd.,

Copy to:

The Chairman & Managing Director,
APCPDCL, Mint Compound, Hyderabad.

The Chairman & Managing Director,
APEPDCL, P&T Colony, Seetamma Dhara, Visakhapatnam.

The Chairman & Managing Director,
APSPDCL, Kesavayanagunta, Tirupati.

The Chairman & Managing Director,
APNPDCL, H.No. 1-1-478, Chaitanyapuri,
Hanamkonda, Warangal.

The P.S. to Minister (SSI, S, KVIB & P&S)

The P.S. to Secretary to C.M.

The Industries & Commerce (Sugar) Department

The Law Department

The Commissioner of Sugar, A.P., Hyderabad.

SC/SF

//FORWARDED :: BY ORDER//

SECTION OFFICER